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ON PAGE D.C. - 9

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## FEMA Wants to Lead Economic War

**T**he Federal Emergency Management Agency has commissioned a \$100,000 study on how to wage economic warfare.

The private contractor, who conducted the study with substantial input from agency officials, proposes a series of new federal task forces and committees: Their purpose would be to implement a "coherent, organized and effective" federal program should the United States go to war with economic weapons. Naturally, FEMA will be in charge.

FEMA, an obscure federal agency that is supposed to prepare for natural and man-made disasters, has been criticized for attempting to grab more power than it is due. Director Louis O. Giuffrida has been assailed by none other than Attorney General William French Smith for trying to create an "emergency czar" role for his agency.

Washington officials question FEMA's authority to direct economic warfare. But a FEMA spokesman cited a 1962 executive order, which apparently gives the agency the claimed jurisdiction.

The spokesman insisted that "economic warfare" wasn't the agency's name for the phenomenon described in the study. FEMA prefers the term "economic defense" to define the methods of "denying adversaries U.S. resources."

But my associate Donald Goldberg has obtained a draft report of the study, and it clearly states that FEMA has "activated a pilot program to identify the . . . elements of a federal offensive and defensive economic-warfare program."

The inch-thick report does not advocate any

particular method of waging economic warfare; rather, it recommends implementing measures on a case-by-case basis. For instance, the section titled "Offensive Economic Warfare Actions" reads as if it were written by a CIA bureau chief in Latin America. It includes these possibilities:

"Currency and exchange-rate restrictions and/or manipulation"; "Manipulation of gold, silver and other precious metals sales or stockpiles"; "Economic espionage," and "Misinformation on products, statistics, patents and so forth."

The uninitiated might deem some of those unworthy of the U.S. government. But the FEMA study is not so squeamish. It identifies (without advocating) a number of other techniques under the heading "Dirty Tricks," including:

- "The use of propaganda and false information includes measures such as publishing false information of economic failures and/or successes (i.e., disinformation)."

- "Economic disturbance and aggravation includes counterfeiting currency, fomenting labor strikes and dissent."

- "Covert, illicit and illegal actions include bribes, the stealing of technical secrets and providing a safe haven for terrorists who are hostile to the enemy."

- "Infrastructure sabotage and destruction includes measures such as industrial sabotage."

Footnote: Agency sources say the draft study is still being evaluated, and there's no evidence that FEMA plans to pursue the subject. This would make it just another \$100,000 boondoggle. Officials of the firm that did the study declined comment.